



EX PARTE OR LATE FILING

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May 30, 2003

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RECEIVED

MAY 30 2003

VIA HAND DELIVERY

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: **EX PARTE PRESENTATION**  
**DEFINITION OF RADIO MARKETS AND LOCAL RADIO**  
**OWNERSHIP RULES**  
**(MB DOCKET NO. 02-277; MM DOCKET NOS. 00-244, 01-235,**  
**01-317)**


Dear Ms. Dortch:

Entercom Communications Corp. has today sent letters to each of the Commissioners, copies of which are attached, with respect to its positions concerning the definition of radio markets and other matters under consideration in the current ownership proceeding. A copy of these letters has been served on Kenneth Ferree and Paul Gallant, as well.

In light of the time pressures and the Code Orange security procedures, the letters to the Commissioners and Messrs. Ferree and Gallant are also being telecopied to them today.

If any additional information is desired in connection with this matter, please contact the undersigned counsel.

Very truly yours,

  
Brian M. Madden

BMM/tlm

cc: Kenneth Ferree  
Paul Gallant





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DAVID J. FIELD  
PRESIDENT & CEO

The Honorable Michael K. Powell  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: EX PARTE PRESENTATION  
DEFINITION OF RADIO MARKETS AND LOCAL RADIO OWNERSHIP RULE  
(MB DOCKET NO. 02-277; MM DOCKET NOS. 00-244, 01-235, 01-317)

Dear Chairman Powell:

This letter is written on behalf of Entercom Communications Corp. ("Entercom"), which, through subsidiaries, is the licensee of 102 stations in 19 markets across the country. Entercom has participated in this rule making proceeding since the initiation of the review of the radio market definition (MM Docket No. 00-244), and takes this opportunity to summarize and supplement the positions it has advanced in response to recent developments.

1. No matter what methodology is used to apply the radio multiple ownership rules, the eight station limit delineated by Congress in the Telecommunications Act of 1996 should not be raised, even in the largest markets. Entercom believes strongly that the limitations on the number of stations that can be owned in common in a local market should not be expanded, as has been suggested is under consideration for markets with 60 or more stations. This action would exacerbate, not modulate, an imbalance in the industry: in terms of annual national revenues, each of the two largest group owners has *five times* the annual revenues earned by any group in the next largest tier of owners. Enabling further consolidation in the largest markets beyond the limits prescribed by Congress in 1996 only rewards the largest aggregators by allowing them to get still bigger, amassing properties to protect and entrench their existing strong market positions. The totality of the changes in the radio ownership rules being discussed could imprint a structural permanence that forever casts radio as a two company industry, precluding Entercom and others from providing meaningful competition. It is truly ironic that, in its quest to cure competitive anomalies in the smaller markets, the Commission is considering the authorization of barriers to enhanced competition in the largest markets. Entercom submits that enacting a further extension of the permissible boundaries of local radio ownership at this time is not warranted and cannot be justified.

2. The contour overlap methodology should be modified as proposed by the NAB and not replaced by a geographic market concept. From the outset of these proceedings, Entercom has urged that the Commission retain the contour overlap methodology, employed for nearly the past ten years to implement the local radio ownership rules. *See Comments of Entercom Communications Corp.* in MM Docket No. 00-244, filed February 26, 2001. This methodology has been clearly understood by the industry, provides to parties a consistent framework, available from public sources, within which to analyze and evaluate potential transactions in all markets and has served both the industry and the Commission well in the effectuation of the ownership rules in all but a few anomalous, but highly publicized, instances. Entercom believes that the contour overlap system is far preferable to any of the alternatives which are being considered, each of which has evident deficiencies, such as the absence of established Arbitron markets covering the entire country. Any new methodology will yield its own anomalous outcomes because no system is perfect and the range of variables in different radio markets is so broad. The combination of these inevitable unintended results and the need to harmonize any new methodology with past transactions will, Entercom fears, ultimately prove to be worse than the present system, even with the few anomalies from among the thousands of transactions filed and approved over the past decade.

Entercom submits that the existing methodology should be tweaked, not traded for an unknown set of new problems. Specifically, Entercom endorses the proposals suggested by the NAB in its *ex parte* submission dated May 23, 2003 to address the “Minot” and the “Pine Bluff” anomalies by modifications to the contour overlap methodology to exclude from the count of stations in a market any station with a transmitter site located more than 92 kilometers from the area of common overlap of the stations under study and to exclude from the number of stations in the market any commonly-owned station that does not have contour overlap with the other stations being reviewed.

3. If the Commission feels that it must make a change to a system designed around Arbitron markets, Entercom believes the following matters must be incorporated in the new rules to avoid substantial disruption within the industry and the capital markets:

A. Once approved, all ownership clusters must be grandfathered and freely transferable. The application of this principle is essential, both as to existing combinations which have been authorized since 1992 by the Commission’s grant of assignment and transfer applications in compliance with the contour overlap methodology, as well as to those combinations that will be proposed in applications to be filed under the new rules to be adopted. Entercom believes that it would be improper for the Commission to act in any manner that would now require divestiture of stations which had been consolidated during the past six years in reliance upon and in compliance with the numerical limits in the provisions of the 1996 Act. Even if a market-based methodology is adopted that would today allow all existing combinations, Arbitron ratings and markets fluctuate over time, and it is inevitable that ownership limits in individual markets therefore will change as well; parties cannot reasonably be held to the uncertainty of future compliance with a moving target – the risk inherent from that uncertainty will harm the markets and result in public service losses.

Trade reports have indicated that, among other concepts under consideration as to transferability, is one that would allow clusters to be sold intact to broadcast licensees that fall below a certain national revenue threshold. Regulations targeted retroactively at a particular party but cloaked in a generalized fashion rarely make good law, and the absence of reliable current revenue data makes this approach unsustainable. If such a policy were incorporated in the new rules, at the very least, the threshold for revenue growth must be indexed appropriately and set at a level that would not be punitive to parties not involved in the perceived abuse.

B. Pending applications must be processed under the rules in effect at the time they are filed. As a corollary of the first point, when parties have proceeded in good faith in reliance of relevant facts at the time they submit an application, they should not be subject to more restrictive ownership limits due to changes in those facts that arise while the application is pending, regardless of the reason for the absence of action on the application. This was the Commission's practice when the duopoly rules first became effective; changes in audience shares (which could, beyond the contour overlap standard, affect whether or not a transaction was permissible) reported after an application was submitted were deemed irrelevant to compliance with the ownership rules, which were applied under the circumstances that existed as of the date of filing. Even as to applications that have been filed since the institution of the radio market proceeding in 2000, neither Entercom nor its deal partners could reasonably have had any reason to believe that they were moving forward with deals at the risk that the Commission would retroactively apply a more restrictive local ownership rule than the one in place when the transaction was negotiated and executed; given the clear deregulatory goals of the Telecommunications Act of 1996, while the adoption of the radio market definition proceeding gave notice to the industry that the rules may be modified to correct for market anomalies, such as the so-called "Pine Bluff" problems, the initiation of that proceeding was not a clear signal that the rules would be modified so as to be generally more regulatory in application.

*Furthermore, it is arbitrary and unfair to grandfather existing ownership combinations that may have been created after the Commission initiated the rulemaking proceedings on the definition of radio markets, but not pending transactions that for whatever reason have not yet been acted on by the Commission. Simply because one assignment or transfer application may have been processed more quickly (or not) than another should not be the determining factor for grandfathered status. Finally, because review of the broadcast ownership rules is Congressionally mandated every two years, if pending transactions are not grandfathered, the possibility of rule changes stemming from future biennial reviews will place a perpetual cloud on broadcast transactional activity.*

C. Stations considered within an Arbitron market but not involving any contour overlap with other commonly-owned stations located within the market should not be counted against an applicant. The course of the Commission's regulation of ownership of more than one same service radio stations in a given area has not precluded ownership of stations that do not have overlapping signal contours. Were the Commission to change to a more broadly defined market definition, it should not equate small stations that serve only a portion of the market and have no contour overlap with other commonly-owned facilities with large stations serving the full market which overlap with other market stations owned by the same party. In the Wilkes Barre – Scranton, Pennsylvania market, for example, because of the large geographic size and

the terrain of that market and the limited transmission capabilities of some of its stations, Entercom simulcasts the signals of certain stations on others to be able to cover the entire market, Station WKRF(FM) in Tobyhanna, Pennsylvania does not overlap with any of the other stations owned by Entercom in the market, and its ownership satisfies the present rules, but because the station is within the Wilkes Barre – Scranton market, without recognizing the absence of contour overlap, Entercom's ownership of its existing cluster in this market would no longer comply with the numerical ownership limits. Although Entercom currently simulcasts on Station WKRF the signal of another of its market stations, the exclusion of consideration for stations that have no overlap with other stations in a given market should not be dependent upon any given manner of operation but should reflect the realities of the limited transmission service rendered.

Thank you for your consideration of the foregoing. A copy of this letter is being served on the Secretary's office and the parties listed below.

Respectfully submitted,

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David J. Field  
President and Chief Executive Officer  
Entercom Communications Corp.

cc: Kenneth Ferree  
Paul Gallant



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DAVID J. FIELD  
PRESIDENT & CEO

The Honorable Kathleen Q. Abernathy  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: EX PARTE PRESENTATION  
DEFINITION OF RADIO MARKETS AND LOCAL RADIO OWNERSHIP RULE  
(MB DOCKET NO. 02-277; MM DOCKET NOS. 00-244, 01-235, 01-317)

Dear Commissioner Abernathy:

This letter is written on behalf of Entercom Communications Corp. ("Entercom"), which, through subsidiaries, is the licensee of 102 stations in 19 markets across the country. Entercom has participated in this rule making proceeding since the initiation of the review of the radio market definition (MM Docket No. 00-244), and takes this opportunity to summarize and supplement the positions it has advanced in response to recent developments.

1. No matter what methodology is used to apply the radio multiple ownership rules, the eight station limit delineated by Congress in the Telecommunications Act of 1996 should not be raised, even in the largest markets. Entercom believes strongly that the limitations on the number of stations that can be owned in common in a local market should not be expanded, as has been suggested is under consideration for markets with 60 or more stations. This action would exacerbate, not modulate, an imbalance in the industry: in terms of annual national revenues, each of the two largest group owners has *five times* the annual revenues earned by any group in the next largest tier of owners. Enabling further consolidation in the largest markets beyond the limits prescribed by Congress in 1996 only rewards the largest aggregators by allowing them to get still bigger, amassing properties to protect and entrench their existing strong market positions. The totality of the changes in the radio ownership rules being discussed could imprint a structural permanence that forever casts radio as a two company industry, precluding Entercom and others from providing meaningful competition. It is truly ironic that, in its quest to cure competitive anomalies in the smaller markets, the Commission is considering the authorization of barriers to enhanced competition in the largest markets. Entercom submits that enacting a further extension of the permissible boundaries of local radio ownership at this time is not warranted and cannot be justified.

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Entercom submits that the existing methodology should be tweaked, not traded for an unknown set of new problems. Specifically, Entercom endorses the proposals suggested by the NAB in its *ex parte* submission dated May 23, 2003 to address the “Minot” and the “Pine Bluff” anomalies by modifications to the contour overlap methodology to exclude from the count of stations in a market any station with a transmitter site located more than 92 kilometers from the area of common overlap of the stations under study and to exclude from the number of stations in the market any commonly-owned station that does not have contour overlap with the other stations being reviewed.

3. If the Commission feels that it must make a change to a system designed around Arbitron markets, Entercom believes the following matters must be incorporated in the new rules to avoid substantial disruption within the industry and the capital markets:

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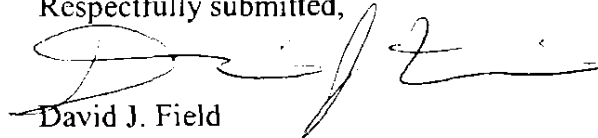
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Respectfully submitted,

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David J. Field  
President and Chief Executive Officer  
Entercom Communications Corp.

cc: Kenneth Ferree  
Paul Gallant



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DAVID J. FIELD  
PRESIDENT & CEO

The Honorable Jonathan S. Adelstein  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: EX PARTE PRESENTATION  
DEFINITION OF RADIO MARKETS AND LOCAL RADIO OWNERSHIP RULE  
(MB DOCKET NO. 02-277; MM DOCKET NOS. 00-244, 01-235, 01-317)

Dear Commissioner Adelstein:

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David J. Field  
President and Chief Executive Officer  
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cc: Kenneth Ferree  
Paul Gallant



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DAVID J. FIELD  
PRESIDENT & CEO

The Honorable Michael J. Copps  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: EX PARTE PRESENTATION  
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(MB DOCKET No. 02-277; MM DOCKET NOS. 00-244, 01-235, 01-317)

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B. Pending applications must be processed under the rules in effect at the time they are filed. As a corollary of the first point, when parties have proceeded in good faith in reliance of relevant facts at the time they submit an application, they should not be subject to more restrictive ownership limits due to changes in those facts that arise while the application is pending, regardless of the reason for the absence of action on the application. This was the Commission's practice when the duopoly rules first became effective; changes in audience shares (which could, beyond the contour overlap standard, affect whether or not a transaction was permissible) reported after an application was submitted were deemed irrelevant to compliance with the ownership rules, which were applied under the circumstances that existed as of the date of filing. Even as to applications that have been filed since the institution of the radio market proceeding in 2000, neither Entercom nor its deal partners could reasonably have had any reason to believe that they were moving forward with deals at the risk that the Commission would retroactively apply a more restrictive local ownership rule than the one in place when the transaction was negotiated and executed; given the clear deregulatory goals of the Telecommunications Act of 1996, while the adoption of the radio market definition proceeding gave notice to the industry that the rules may be modified to correct for market anomalies, such as the so-called "Pine Bluff" problems, the initiation of that proceeding was not a clear signal that the rules would be modified so as to be generally more regulatory in application.

Furthermore, it is arbitrary and unfair to grandfather existing ownership combinations that may have been created after the Commission initiated the rulemaking proceedings on the definition of radio markets, but not pending transactions that for whatever reason have not yet been acted on by the Commission. Simply because one assignment or transfer application may have been processed more quickly (or not) than another should not be the determining factor for grandfathered status. Finally, because review of the broadcast ownership rules is Congressionally mandated every two years, if pending transactions are not grandfathered, the possibility of rule changes stemming from future biennial reviews will place a perpetual cloud on broadcast transactional activity.

C. Stations considered within an Arbitron market but not involving any contour overlap with other commonly-owned stations located within the market should not be counted against an applicant. The course of the Commission's regulation of ownership of more than one same service radio stations in a given area has not precluded ownership of stations that do not have overlapping signal contours. Were the Commission to change to a more broadly defined market definition, it should not equate small stations that serve only a portion of the market and have no contour overlap with other commonly-owned facilities with large stations serving the full market which overlap with other market stations owned by the same party. In the Wilkes Barre – Scranton, Pennsylvania market, for example, because of the large geographic size and



2. The contour overlap methodology should be modified as proposed by the NAB and not replaced by a geographic market concept. From the outset of these proceedings, Entercom has urged that the Commission retain the contour overlap methodology, employed for nearly the past ten years to implement the local radio ownership rules. *See Comments of Entercom Communications Corp.* in MM Docket No. 00-244, filed February 26, 2001. This methodology has been clearly understood by the industry, provides to parties a consistent framework, available from public sources, within which to analyze and evaluate potential transactions in all markets and has served both the industry and the Commission well in the effectuation of the ownership rules in all but a few anomalous, but highly publicized, instances. Entercom believes that the contour overlap system is far preferable to any of the alternatives which are being considered, each of which has evident deficiencies, such as the absence of established Arbitron markets covering the entire country. Any new methodology will yield its own anomalous outcomes because no system is perfect and the range of variables in different radio markets is so broad. The combination of these inevitable unintended results and the need to harmonize any new methodology with past transactions will, Entercom fears, ultimately prove to be worse than the present system, even with the few anomalies from among the thousands of transactions filed and approved over the past decade.

Entercom submits that the existing methodology should be tweaked, not traded for an unknown set of new problems. Specifically, Entercom endorses the proposals suggested by the NAB in its *ex parte* submission dated May 23, 2003 to address the “Minot” and the “Pine Bluff” anomalies by modifications to the contour overlap methodology to exclude from the count of stations in a market any station with a transmitter site located more than 92 kilometers from the area of common overlap of the stations under study and to exclude from the number of stations in the market any commonly-owned station that does not have contour overlap with the other stations being reviewed.


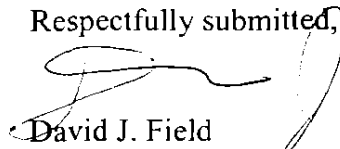
3. If the Commission feels that it must make a change to a system designed around Arbitron markets, Entercom believes the following matters must be incorporated in the new rules to avoid substantial disruption within the industry and the capital markets:

A. Once approved, all ownership clusters must be grandfathered and freely transferable. The application of this principle is essential, both as to existing combinations which have been authorized since 1992 by the Commission’s grant of assignment and transfer applications in compliance with the contour overlap methodology, as well as to those combinations that will be proposed in applications to be filed under the new rules to be adopted. Entercom believes that it would be improper for the Commission to act in any manner that would now require divestiture of stations which had been consolidated during the past six years in reliance upon and in compliance with the numerical limits in the provisions of the 1996 Act. Even if a market-based methodology is adopted that would today allow all existing combinations, Arbitron ratings fluctuate over time, and it is inevitable that ownership limits in individual markets therefore will change as well; parties cannot reasonably be held to the uncertainty of future compliance with a moving target – the risk inherent from that uncertainty will harm the markets and result in public service losses.

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Thank you for your consideration of the foregoing. A copy of this letter is being served on the Secretary's office and the parties listed below.

Respectfully submitted,



David J. Field  
President and Chief Executive Officer  
Entercom Communications Corp.

cc: Kenneth Ferree  
Paul Gallant



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DAVID J. FIELD  
PRESIDENT & CEO

The Honorable Kevin J. Martin  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: EX PARTE PRESENTATION  
DEFINITION OF RADIO MARKETS AND LOCAL RADIO OWNERSHIP RULE  
(MB DOCKET NO. 02-277; MM DOCKET NOS. 00-244, 01-235, 01-317)

Dear Commissioner Martin:

This letter is written on behalf of Entercom Communications Corp. ("Entercom"), which, through subsidiaries, is the licensee of 102 stations in 19 markets across the country. Entercom has participated in this rule making proceeding since the initiation of the review of the radio market definition (MM Docket No. 00-244), and takes this opportunity to summarize and supplement the positions it has advanced in response to recent developments.

1. No matter what methodology is used to apply the radio multiple ownership rules, the eight station limit delineated by Congress in the Telecommunications Act of 1996 should not be raised, even in the largest markets. Entercom believes strongly that the limitations on the number of stations that can be owned in common in a local market should not be expanded, as has been suggested is under consideration for markets with 60 or more stations. This action would exacerbate, not modulate, an imbalance in the industry: in terms of annual national revenues, each of the two largest group owners has *five times* the annual revenues earned by any group in the next largest tier of owners. Enabling further consolidation in the largest markets beyond the limits prescribed by Congress in 1996 only rewards the largest aggregators by allowing them to get still bigger, amassing properties to protect and entrench their existing strong market positions. The totality of the changes in the radio ownership rules being discussed could imprint a structural permanence that forever casts radio as a two company industry, precluding Entercom and others from providing meaningful competition. It is truly ironic that, in its quest to cure competitive anomalies in the smaller markets, the Commission is considering the authorization of barriers to enhanced competition in the largest markets. Entercom submits that enacting a further extension of the permissible boundaries of local radio ownership at this time is not warranted and cannot be justified.

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ENTERCOM COMMUNICATIONS CORP.

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E-mail [djfield@entercom.com](mailto:djfield@entercom.com)

2. The contour overlap methodology should be modified as proposed by the NAB and not replaced by a geographic market concept. From the outset of these proceedings, Entercom has urged that the Commission retain the contour overlap methodology, employed for nearly the past ten years to implement the local radio ownership rules. *See Comments of Entercom Communications Corp.* in MM Docket No. 00-244, filed February 26, 2001. This methodology has been clearly understood by the industry, provides to parties a consistent framework, available from public sources, within which to analyze and evaluate potential transactions in all markets and has served both the industry and the Commission well in the effectuation of the ownership rules in all but a few anomalous, but highly publicized, instances. Entercom believes that the contour overlap system is far preferable to any of the alternatives which are being considered, each of which has evident deficiencies, such as the absence of established Arbitron markets covering the entire country. Any new methodology will yield its own anomalous outcomes because no system is perfect and the range of variables in different radio markets is so broad. The combination of these inevitable unintended results and the need to harmonize any new methodology with past transactions will, Entercom fears, ultimately prove to be worse than the present system, even with the few anomalies from among the thousands of transactions filed and approved over the past decade.

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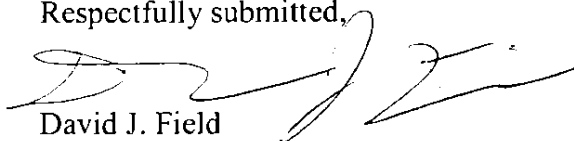
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Thank you for your consideration of the foregoing. A copy of this letter is being served on the Secretary's office and the parties listed below.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'David J. Field', is written over the typed name.

David J. Field  
President and Chief Executive Officer  
Entercom Communications Corp.

cc: Kenneth Ferree  
Paul Gallant